Cap on the Insurance Agency Commission: As per the Section 40(2) of the Insurance Act, 1938, no insurance agent shall be paid or contract to be paid by way of commission or as remuneration in any form an amount exceeding in the case of life insurance business, forty percent of the first years premium payable on any policy or policies effected through him and five percent of a renewal premium, payable on such a policy, or, in the case of business of any other class, fifteen percent of the premium. **Brokers**: The IRDA (Insurance Brokers) Regulations, 2002 specifies the conditions and code for these intermediaries. As per these Regulations, no insurance broker shall be paid or contract to be paid by way of remuneration (including royalty or license fees or administration charges or such other compensation), an amount exceeding 30% of first year's premium and 5% of each renewal premium in respect of individual insurance and 2% of the premium in respect of annuity with single premium. For deferred annuity with more than one premium, 7.5% of first year's premium and 2% of each renewal premium is payable.

Commission paid by Life Insurance Corporation of India (LIC) and private insurance companies for the last three years is as follows:

(Rs. in crores)

	LIC			Private Insurers		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Agents	9153.13	9552.68	10029.72	1848.26	2725.80	2649.85
Brokers	11.25	3.04	0.55	31.41	73.99	130.66
Corporate Agency	4.16	12.22	2.86	801.22	1536.94	1768.64
Referral	0.00	0.00	0.00	293.64	536.27	488.01
Bancassurance	0.52	0.16	0.12	128.28	202.22	205.42

(b) and (c) If a policy purchased through direct marketing or online, the question of payment of agency commission does not arise.

(d) IRDA has put in place specific regulations for the same under relevant intermediary regulations by way of code of conduct.

Fake currency rackets at Kolkata

†482 SHRI SHREEGOPAL VYAS: Will the Minister of FINANCE be pleased to state:

(a) whether Kolkata has become the main centre of fake currency rackets;

(b) the countries whose nationals have been made found to be involved in these rackets;

(c) the number of persons against whom action has been taken; and

†Original notice of the question was received in Hindi.

(d) the details of places in the country from where sub-centres linked to these Kolkata based rackets are working, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The circulation of Fake Indian Currency Notes (FICN) is spread over various states/locations, all over India, including Kolkata.

(b) Foreign nationals from Pakistan, Nepal, Bangladesh and Sri Lanka have been found to be involved.

(c) and (d) Information is being collected and will be laid on the Table of the House.

Credit to SME sector

483. SHRIMATI JAYANTHI NATARAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that contrary to the advice of Government and Reserve Bank of India (RBI), there has been consistent decrease in providing credit to Small and Medium Enterprises (SMEs) Sector by Public Sector Banks of their net credit;

(b) if so, the details of credit provided by each Public Sector Banks to SME Sector during the last three years, year-wise and State-wise;

(c) the reasons for the reluctance of the Banks in extending the credit to this vital sector; and

(d) the remedial measures Government proposes to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) As per information compiled by Reserve Bank of India, the outstanding credit to Micro and Small Enterprises (MSB) sector under priority sector lending as on the last reporting Friday of March 2007, 2008 and 2009 by Public Sector Banks (PSBs) is as under:

(Rs. in thousand)

Year	PSBs advances (outstanding)	% of MSE credit to Net Bank Credit (NBC)
2007	1025502376	7.8%
2008	1511374846	11.1%
2009	1914083188	11.3%

It may be observed from the above table that the credit flow to the MSE Sector (*w.e.f* 30.4.2007, small scale industries have been redefined as MSEs) has shown an increasing trend during the last three years both in absolute terms and as a percentage to NBC of the PSBs.

State-wise and bank-wise statements showing details of credit to the MSE sector during the last three years (as on the last Friday of March 2007, 2008 and 2009) are at Statement-I and II respectively.